



The Commonwealth of Massachusetts

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

D.T.E. 05-GAF-P4

February 3, 2006

Petition of Fitchburg Gas and Electric Light Company for Review and Approval by the Department of Telecommunications and Energy of the Company's 2005/2006 Peak Cost of Gas Adjustment Clause Filing.

REQUEST FOR COMMENT

On December 15, 2005, Fitchburg Gas and Electric Light Company d/b/a Unitil Service Corp. ("Fitchburg Gas") submitted to the Department of Telecommunications and Energy ("Department") a request for approval of dollar-for-dollar recovery of all gas-related bad debt for calendar year 2005 on a retrospective basis. Fitchburg Gas stated that its request is consistent with the Department's determination in Bay State Gas Company, D.T.E. 05-27 (2005). Specifically, Fitchburg Gas seeks to recover its 2005 under-recovered gas-related bad debt through its Cost of Gas Adjustment Clause ("CGAC") filing.

In D.T.E. 05-27, at 178-186, the Department determined that gas local distribution companies ("LDCs") could recover bad debt expense on a dollar-for-dollar basis. The Department delineated a method by which Bay State Gas and other LDCs could recover gas-related bad debt expenses through the CGAC. Id. at 188-190. In Fitchburg Gas's last base rate proceeding, the Department limited the recovery of gas cost-related bad debt expense to a percentage of the bad-debt expense level approved in the rate case. D.T.E. 02-24/25, at 172. February 3, 2006

In its filing, Fitchburg states that the "recovery would not constitute retroactive ratemaking, because the limitations on retroactive ratemaking apply only to base-rate changes and do not apply to a reconciling mechanism." Request at 7, citing Fitchburg Gas and Electric Light Company v. Department of Telecommunications and Energy, 440 Mass. 625, at 637-638 (2004). The Department issues the following briefing questions related to Fitchburg's assertion:

- 1) Is the referenced case applicable where a change in Department policy, as opposed to an error in calculation, occurs.

In addition to the briefing questions, the Department seeks general comments on the Company's proposal. Department precedent should be cited in support of any comments.

All comments must also be submitted in electronic format using one of the following methods: (1) by e-mail attachment to dte.efiling@state.ma.us and carol.pieper@state.ma.us; or (2) on a 3.5" IBM-compatible disk. The text of the e-mail or the disk label must specify: (1) the docket number of the proceeding, D.T.E. 05-GAF-4; (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The electronic filing should also include the name, title, and telephone number of a person to contact in the event of questions about the filing. Text responses should be formatted as either Word Perfect, Microsoft Word, or Adobe PDF compatible files. Data or spreadsheet responses should be compatible with Microsoft Excel. All comments submitted in electronic format will be posted on the Department's web site: <http://www.mass.gov/dte>.

By Order of the Department,

/s/
Mary L. Cottrell, Secretary